

United States Senate

WASHINGTON, DC 20510

September 30, 2010

The Honorable Steven Chu
Secretary
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

The Honorable Jeffrey Zients
Acting Director
White House Office of Management and Budget
Eisenhower Executive Office Building
1650 Pennsylvania Avenue, NW
Washington, DC 20503

Dear Secretary Chu and Acting Director Zients:

We are writing about the Department of Energy's (DOE) Loan Guarantee Program. We seek your assistance in ensuring that the loan guarantee review process is expeditious and productive, in order to assure that DOE is able to process loan guarantee requests at its pledged rate of four to five per month this fall.

Congress and the Administration addressed frozen credit markets by establishing an emergency loan guarantee program for renewable energy projects in the 2009 American Recovery and Reinvestment Act (ARRA). The temporary program (Section 1705 of the Energy Policy Act of 2005) has resulted in a tremendous private industry response. DOE has received proposals to invest billions of dollars in energy infrastructure. As of August, DOE had 81 separate renewable energy infrastructure and transmission projects either in its final "due diligence" phase of review or its second-to-last review phase (Part II).

In California, the DOE's emergency loan guarantee program is helping to drive an unprecedented interest in private sector energy infrastructure development. Firms now propose to break ground on more than 9,000 megawatts of new wind and solar infrastructure projects by the end of this year. This would quadruple California's production capacity from these renewable sources. Of 26 loan guarantee applications in DOE's final "due diligence" review seeking \$12

billion in guaranteed loans, nine propose infrastructure in California. If these projects are financed this fall, they will be able to break ground in time to take advantage of the successful Renewable Energy Treasury Grants Program (established in Section 1603 of ARRA), which expires at the end of 2010.

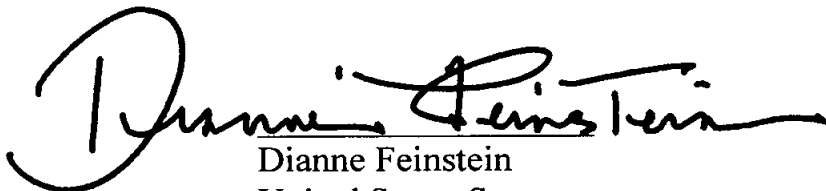
Unfortunately, the loan guarantee application review process conducted by both DOE and the Office of Management and Budget (OMB) takes too long, and we are increasingly concerned that worthy projects will not receive financing in time to take advantage of the Treasury Grants Program. In contrast, expeditious review of applications could drive private investment in energy infrastructure projects during this economic downturn, advancing both our economic and environmental goals.

We strongly support a thorough review of each application for a Federal loan guarantee. However, we are confident that applications could be evaluated more expeditiously, and just as effectively. Private investors proposing to put Americans to work building energy infrastructure projects should be turned away on the merits of their applications, not because the Federal government failed to give their application due consideration under a reasonable timeline.

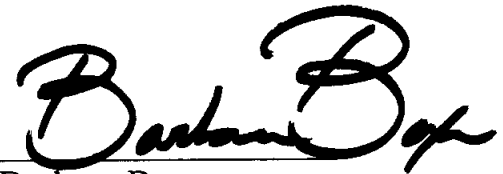
We call on you to act expeditiously to process four to five loan guarantee applications per month this fall, as the Department of Energy pledged in a recent letter to California Governor Schwarzenegger. Furthermore, we ask you to prioritize review of applications that propose to build projects that will qualify for Renewable Energy Treasury Grants if they break ground by the end of 2010.

We are committed to the success of the DOE Loan Guarantee Program for renewable energy projects, and we look forward to working with DOE and OMB to ensure the program realizes its full potential.

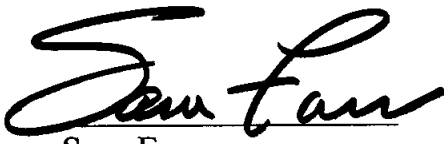
Sincerely,



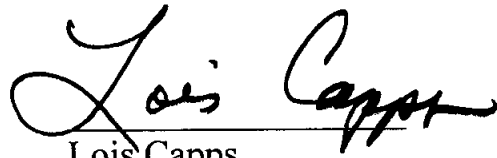
Dianne Feinstein
United States Senator



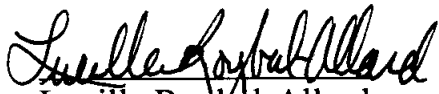
Barbara Boxer
United States Senator



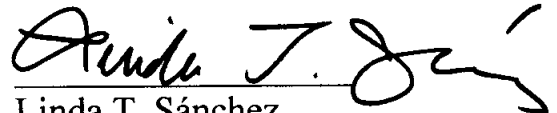
Sam Farr
Member of Congress



Lois Capps
Member of Congress



Lucille Roybal-Allard
Member of Congress



Linda T. Sánchez
Member of Congress



Mike Thompson
Member of Congress



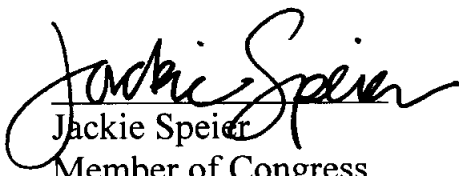
Barbara Lee
Member of Congress



Zoe Lofgren
Member of Congress



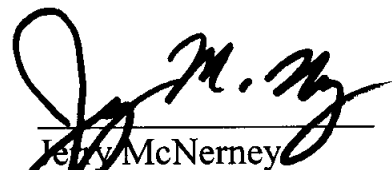
John Garamendi
Member of Congress




Jackie Speier
Member of Congress




Doris Matsui
Member of Congress



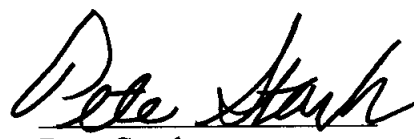
Jerry McNerney
Member of Congress




Bob Filner
Member of Congress



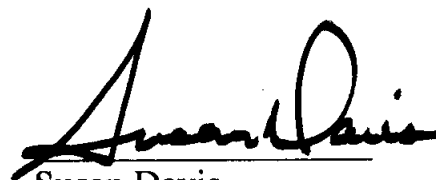
Mike Honda
Member of Congress



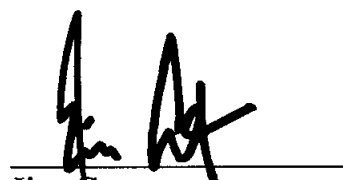
Pete Stark
Member of Congress



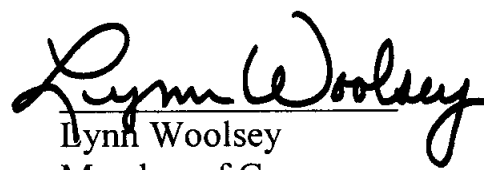
Grace F. Napolitano
Member of Congress



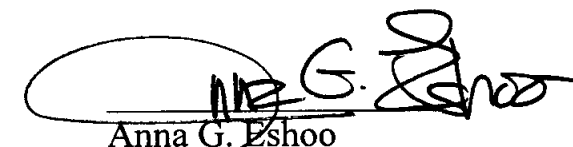
Susan Davis
Member of Congress



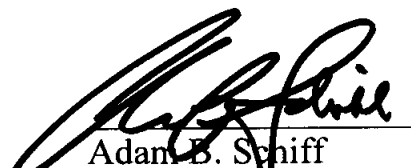
Jim Costa
Member of Congress



Lynn Woolsey
Member of Congress



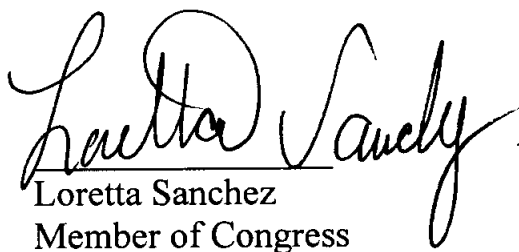
Anna G. Eshoo
Member of Congress

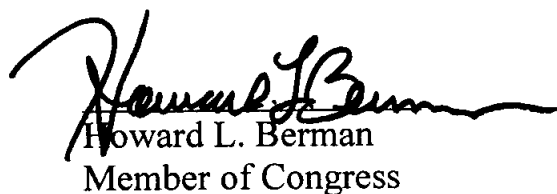


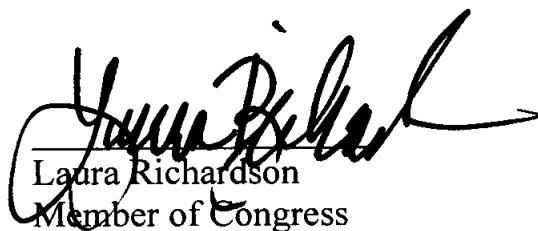
Adam B. Schiff
Member of Congress

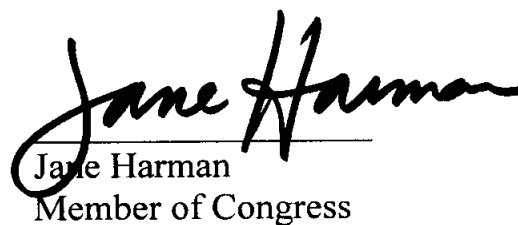
September 30, 2010

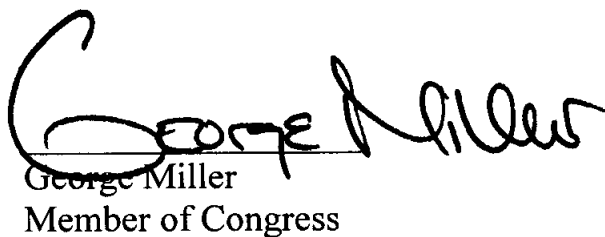
Page 5


Loretta Sanchez
Member of Congress


Howard L. Berman
Member of Congress


Laura Richardson
Member of Congress


Jane Harman
Member of Congress


George Miller
Member of Congress